

From: philip a kenner <pak33@mac.com>
Sent: Thursday, October 30, 2008 10:43 AM
To: philip a kenner <pak33@mac.com>; Mike & Kristen Peca <KMPGP@aol.com>
Subject: Palms Penthouse 56304

Michael/Kristen:

This email is intended to outline the terms of the Joint Venture between you and I for the Palms Penthouse Unit #56304.

I have placed a deposit of \$656,120 placed on the Palms Penthouse Unit #56304 for approximately 2 1/2 years.

The purchase price of the unit is \$3,280,600.

A closing will be secured by you with your credit and a loan in your name on Palms Penthouse Unit #56304.

The closing will occur in the first two weeks of November 2008.

An approximate 10% (+/- \$330,000) additional funds provided by you will be required buy the lender (70% LTV) will be due on or before the closing date, wired to escrow.

Upon closing, the unit will immediately be listed for sale with a listing price of ~\$5m. All reasonable offers will be discussed by both of you and I prior to acceptance of any deal.

I will be responsible for all of the ongoing mortgage payments to the bank for Palms Penthouse Unit #56304.

The unit will be immediately placed into the Rental Pool at the Palms Place Hotel. Revenues from any rentals will be used for the monthly expenses (mortgage, insurance, property taxes, HOA fees, etc.). If Rental fees from the Palms Place Hotel exceed the total cumulative monthly expenses and closing costs thru the time of sale, the additional proceeds will be split 50/50 after closing.

Upon sale and close of Palms Penthouse Unit #56304, the net revenues from the sale of Palms Penthouse Unit #56304 will be split 50/50 between you and I, after we have been returned our respective shares of the down payment and any other expenses related to the unit.

Following the sale and closing, all projected taxes due from the sale will be discussed by you and I. We will make appropriate arrangements to set aside the projected tax amount for the future tax burden.

Please let me know if you have nay questions or comments we need to add to this email.

Sincerely. Phil

Peca never releases the monthly rental checks to Kenner -- which were made out to Peca's name -- since he was the only name on title. Peca BREACHED the agreement from "day-one" while Kenner continued to make \$90,000 worth of mortgage payments until Kenner became fed up with Peca's excuses he could not get the checks from his wife...